

Discussion of Current Law Budget  
BRIEFING PAPER  
Prepared for the  
JULY 2004 TRANSPORTATION COMMISSION MEETING

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**PURPOSE:**

The Commission is being asked to provide guidance and feedback to finalize the development of the 2005-07 WSDOT Current Law Budget for operating and capital programs for its final adoption at the August Commission meeting.

**ACTION/OUTCOME:**

The Transportation Commission will discuss and provide direction for the department to finalize the 2005-07 Current Law Budget and associated ten-year financial plan for submittal to the Office of Financial Management (OFM) on or before September 1, 2004.

**DISCUSSION:**

The 2005-07 Budget Agenda (Attachment A) summarizes the budget discussion for the month of July. The Budget Calendar (Attachment B) provides the schedule for the Transportation Commission review and discussion of draft project lists for Ferries, Rail, Capital Facilities, and Traffic Operations. At the meeting, Highway Construction staff will provide materials displaying locations of projects to be constructed in 2005-07.

**2005-07 Budget Development Review and Status Update**

OFM accepted the program structure changes approved by the Transportation Commission and submitted in April. The Legislative Evaluation & Accountability Program Committee (LEAP) approved the proposal on June 30, 2004.

In May, the Transportation Commission considered the draft 2003-2007 Business Directions (strategic plan) that identifies the department mission, management principles, and 2003-2007 Initiatives (the To-Do List) including various planned activities and performance measurements. The Commission discussed the WSDOT operating budget requests, including proposals recommended for inclusion in the 2005-07 Current Law Budget and proposals recommended for consideration if additional revenue becomes available.

In June, program representatives presented the Commission with a program overview, Current Law Budget Proposal Summary, and details of the WSDOT operating budget proposals. The Transportation Commission approved the current approach to develop the

2005-07 Current Law Operating and Capital Budgets and requested that the July Budget discussion include additional information on the capital budget proposal for review, discussion, and decisions.

### **Pro Forma Update**

In May and June, the Commission reviewed the 2005-2007 Pro Forma for the Budget and Ten-Year pro forma displaying funding amounts for each operating and capital program within the limits of available funding from currently enacted taxes, fees and bond authorizations (generally referred to as current law funding). The Pro Forma reflects updated funding based on the June revenue forecast, resized bond assumptions, and recommendations for each operating and capital program within the limits of available current law funding. The funding levels for programs displayed in the capital pro forma are generally based on the Legislative Transportation Project List as approved in the 2004 Supplemental Budget. Adjustments to the capital program funding levels include amounts the department will want to specify for certain projects and necessary adjustments to balance to available funds over the next ten-year time period.

### **Program Overviews – Budget Book Detail**

The 2005-07 Budget Book program detail is updated to reflect Commission direction for the operating and capital programs. Program detail includes an overview of the program, information on 2003-05 activities, proposed 2005-07 Budget, 2005-15 Financial Plan, and historical spending/funding trend charts.

Representatives from the capital programs will present the Commission with:

1. The Relationship between Program Delivery and Program Development.
2. Current Law Capital Budget Proposal Summary
  - Description of the specific 2005-07 capital requests
  - Why the need is a priority
  - Description of Commission choices (if applicable)

### **RECOMMENDATION:**

The department requests guidance and feedback from the Commission review of the draft 2005-07 Current Law Operating and Capital Budgets.

For further information, please contact Bill Ford, Budget Chief, at 705-7500.